

NEPI ROCKCASTLE N.V.

Incorporated in the Netherlands

Registration number: 87488329

Share code: NRP

ISIN: NL0015000RT3

("NEPI Rockcastle" or the "Company" or the "Group")



PROPOSED CAPITAL RAISING OF APPROXIMATELY EUR [●] MILLION

[Disclaimer to be provided by legal counsels]

NEPI Rockcastle announces its intention to conduct a non pre-emptive placing of new ordinary shares in the Company ("New Ordinary Shares" or "Offer Shares") to raise gross proceeds of approximately EUR [●] million to enable the Company to execute on its ongoing growth strategy.

The capital raising will comprise an institutional placing that will be conducted through an accelerated book building process (the "**Bookbuild**"), which will be launched immediately following this announcement, and will be made available to new and existing eligible investors (the "**Placing**"). The offer price of the New Ordinary Shares as well as the number of New Ordinary Shares to be issued will be announced upon completion of the Bookbuild, which is expected [prior to market opening on [●] October 2024]. The issue and allotment of the New Ordinary Shares will be within the existing authorities of the Company's board of directors (the "**Board**").

Citigroup Global Markets Europe AG ("**Citi**") and HSBC Continental Europe ("**HSBC**") are acting as joint global coordinators and joint bookrunners, together with Erste Group Bank AG ("**Erste**"), ING Bank N.V. ("**ING**") and Société Générale ("**SocGen**") who are acting as joint bookrunners and Java Capital who is advising the Company in connection with the Placing.

Background to and reasons for the Placing

As the leading owner, operator and developer of shopping centers in Central and Eastern Europe ("**CEE**"), coupled with resilient economic growth and rising household consumption in CEE, the Company is well placed to take advantage of the strong demand from international retailers seeking space in the Company's core markets. The Placing will provide the Company with new capital and increased financial flexibility to further accelerate its growth strategy outlined below, whilst maintaining a strong balance sheet.

Track record of M&A

The Company has a strong track record of consistent growth through strategic geographical expansion. The Company benefits from a highly-skilled management team which combines asset management, development, investment, leasing and financial expertise. Geographically diverse management skills has allowed NEPI Rockcastle to pursue CEE property opportunities efficiently, benefiting from a strategic advantage in the acquisition, development and management of properties.

The Company has grown from 5 properties (EUR 22 million GAV) in 2007 to 59 properties (over EUR 7 billion GAV) currently. Most recently, NEPI Rockcastle announced the acquisition of Magnolia Park ("**Magnolia**"). Magnolia is a 100,000m² gross lettable area ("**GLA**") shopping center, situated in Wroclaw, the third largest city in Poland by population, with over 670,000 inhabitants. The acquisition represents the biggest single asset shopping center transaction by value in CEE since at least 2022 and is accretive to the Company's distributable earnings. The transaction is in line with NEPI Rockcastle's investment strategy to increase the concentration of its portfolio in countries with an investment grade rating and focus on core dominant properties in their local markets.

Acquisition criteria

The Company is committed to invest selectively in assets that meet its rigorous investment criteria. Pursued retail assets must already be or have the potential to become dominant. Size is critical to achieve a comprehensive offering and an optimum tenant mix, including a large proportion of food and fashion anchors and substantial leisure and entertainment

area. Good location, access, visibility, design and technical specifications, as well as potential for extension, reduce the threat of significant competition and enable the asset's dominance in its catchment area.

Acquisition and development pipeline

Acquisition pipeline (€800 million pipeline, out of which €373 million already completed)

Resilient economic growth and rising household consumption in CEE means the Company is benefitting from strong demand from international retailers seeking space in its core markets. Owing to its leadership position in the region, the Company is well-positioned to capitalise on these trends while actively advancing its acquisition pipeline.

Asset developments (€702 million pipeline)

The Company also has a very promising development pipeline which is expected to deliver significant growth over the coming years. The Company will continue to invest in developments contributing to growth and improving long-term portfolio prospects, proactively monitoring and revising the development pipeline in line with its evolving objectives and constraints. As of 30 June 2024, the total cost of projects under construction, or permitting, is EUR 702 million (of which EUR 230 million has already been invested). The planned development and capex for the second half of 2024 is approximately EUR 108 million. Works at development projects under construction are on schedule and within budget. Development projects include:

- **Promenada Bucharest – extension:** The Company aims to add 55,400m² new mixed use retail, hotel and office GLA by the end of 2026. Lease terms have been agreed for 66% of the additional GLA
- **Ploiesti Shopping City – extension:** The 7,400m² extension is opened in September 2024, with 100% of the additional GLA leased
- **Arena Mall – refurbishment:** Refurbishment will be completed in the second quarter of 2028. Lease terms agreed for 90% of the refurbished GLA
- **Promenada Plovdiv:** For this 60,500 m² greenfield development in Bulgaria's second largest city, permitting is expected to be obtained in Q4 2024, with construction starting before the year end. Completion projected for Q4 2026. Lease terms already agreed for 47% of the GLA.
- **Residential project:** After the success of the Group's first residential project, Vulcan Residential, NEPI Rockcastle intends to start developing two new residential projects in the major Romanian cities of Brasov and Craiova. The development land is owned by the Group and is adjacent to its retail properties in the two cities. The projects are currently under permitting with completion estimated in Q4 2026.

New income streams (€115 million investment in photovoltaic plants)

The Company has completed the first phase of an ambitious green energy project with installation of photovoltaic panels in 27 retail locations in Romania owned by the Company. This has already generated revenues of EUR 4.1 million in H1 2024 (on a total investment of EUR 34 million). The second phase, involving the roll-out of the same concept in 24 locations outside Romania owned by the Company for a total investment of EUR 15 million, is under various stages of permitting. Furthermore, the Company plans to invest approximately EUR 100 million in greenfield, ready-to-build photovoltaic projects in several new locations in Romania, to expand its green energy generating capacity and increase the coverage of electricity consumption needs of its tenants. The first installations are expected to become operational by the end of 2026 and contribute an additional 159 MW power to the Group's own production capacity. This ambitious project will provide coverage for 80% of the Romanian portfolio energy consumption while reducing the carbon footprint by 36%.

Current Trading Outlook

The Company reiterates the guidance/outlook provided as part of H1 2024, expecting distributable earnings per share ("DEPS") for the year to be approximately 5.5% higher than the DEPS of 56.98 cents per share in 2023. The Company also intends to maintain its dividend policy and continue distributing 90% of its earnings as dividends.

Use of Proceeds

NEPI Rockcastle intend to raise gross proceeds of approximately EUR [●] million from the Placing. The Company intends to use the net proceeds towards executing the development and acquisition pipeline outlined above and

replenishing funds to use opportunistically. Accordingly, the allocation of net proceeds may vary between particular identified opportunities. The Company will retain the net proceeds of the Placing on its balance sheet until such time as they are required to be deployed in development or acquisitions.

Financial benefits of the Placing

The net proceeds from the Placing has the potential to make a strong contribution to the Company in pursuing its long-term strategy, including maintaining a profile of adequate liquidity, conservative gearing, and an appropriate capital structure. The Company has a long-term corporate credit rating of BBB+ (stable outlook) from Fitch Ratings and BBB (stable outlook) from Standard & Poor's Rating Services. Following the placing, the Company expects to maintain a robust balance sheet with a loan-to-value ("LTV") threshold of 35%.

Existing Shareholder Commitments & Director Participation

In accordance with the JSE Listings Requirements, related parties (including Fortress Real Estate Investments Limited ("Fortress") and any Directors) may participate in the Placing provided that they participate with a maximum bid price or at book close price with the Offer Shares allocated equitably to new and existing eligible investors, taking into account existing shareholdings, pricing and sizing of bids, receipt of early submissions of commitments and subject to the Board being satisfied that due process has been followed.

Indicative summary timetable of principal events

Announcement of the Placing	[●]
Announcement of the results of the Placing	[●]
Admission and dealings in New Ordinary Shares commence on Euronext and the JSE	[by 9:00 a.m. (CET) on [●] October 2024]

The Placing

The Placing comprises the issuance of New Ordinary Shares for approximately EUR [●] million, representing c.[●]% of the Company's issued share capital. The Offer Shares are expected to be listed and admitted to trading on Euronext and the JSE on [●] October 2024. Payment and settlement of the Placing Shares is expected to take place on [●] October 2024.

In connection with the Placing, the Company has entered into a lock-up for a period from the date hereof up until 90 days from settlement of the Offer Shares.

Regulatory Disclaimers and Other Important Notices

[Disclaimer to be provided by legal counsels]

For further information, please contact:

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